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DE RUEHKT #2281/01 2341230 ZNY CCCCC ZZH O 221230Z AUG 06 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC IMMEDIATE 2867 INFO RUEHBJ/AMEMBASSY BEIJING PRIORITY 4691 RUEHLM/AMEMBASSY COLOMBO PRIORITY 4928 RUEHNE/AMEMBASSY NEW DELHI PRIORITY 0129 RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2922 RUEHKA/AMEMBASSY DHAKA PRIORITY 0052 RUEAIIA/CIA WASHDC PRIORITY RHEFDIA/DIA WASHDC PRIORITY RHEHNSC/NSC WASHDC PRIORITY RUEKJCS/SECDEF WASHDC PRIORITY RHHMUNA/CDR USPACOM HONOLULU HI PRIORITY

C O N F I D E N T I A L KATHMANDU 002281

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TAGS: PGOV PTER NP

SUBJECT: CLEAR PUBLIC MESSAGE ON ARMS MANAGEMENT FROM PRIME

MINISTER NEEDED NOW

Classified By: Ambassador James F. Moriarty

Summary

11. (C) On August 21 former Prime Minister and Rastriya Janashaki Party founder Surya Bahadur Thapa agreed with the Ambassador that the issue of Maoist arms management "will decide everything." Thapa stressed that the Prime Minister decide everything." needed to publicly and clearly explain why the Maoists could not join the government with their arms. Without such a clear statement from the Prime Minister, Thapa feared the UML would cave to Maoist pressure. Thapa emphasized that the support of the international community - the United Sates publicly and India privately - was indispensable in convincing the Prime Minster to take such a clear stand. Madhav Kumar Nepal (MK), General Secretary of the Communist Party of Nepal-United Marxist Leninist (CPN-UML), stressed in a separate meeting with the Ambassador on August 22 that his party was committed to separation of the Maoists from their weapons. End Summary.

All Depends on Prime Minister

- 12. (C) Surya Bahadur Thapa told the Ambassador on August 21 that, if the Prime Minister took a strong stand against the Maoists maintaining their weapons, then "the course of history will go in a different, proper way." He was optimistic that the Prime Minister understood what he needed to do, but feared he was not prepared for upcoming summit talks between the parties and Maoists. If Koirala took a strong, public stance, Thapa believed the Maoists would eventually agree to give up their arms. First, as time went by with their cadre out of the jungle, it would be more difficult for the Maoists to convince their forces to return to armed struggle. Second, the Maoists truly feared the international community and outside pressure would swell if they went back on the war path. Third, the Communist Party of Nepal-United Marxist Leninists (CPN-UML) would support the government if Koirala delivered a strong statement regarding arms management. Otherwise, Thapa believed the CPN-UML would lean to the Maoists.
- 13. (C) According to Thapa, of the three former elements of the Nepal government - the monarchy, the constitution and democracy - the first two had already failed. Democracy would

also fail if the government gave into elections before disarmament of the Maoists.

Support of International Community

- 14. (C) Thapa twice noted that the public support of the United States and the private support of India were responsible for the Prime Minister's resolve in taking a firm stand on arms management. The Prime Minister's advisers, Home Minister Sitaula and Dr. Shakar, in his opinion, both tilted toward the Maoists. It was the advice the international community had provided that had been the PM's principal source of encouragement for demanding arms separation before elections. While there were some serious people in Parliament who could hold discussions with the Maoists and advise the Prime Minister on how to move forward, the institutional mechanisms for such discussions were lacking. When the Ambassador mentioned the Peace Commission and the Peace Secretariat as possible mechanisms for such dialogue, Thapa agreed that they were useful for preparing for talks, but argued that they were ineffective as long as Sitaula continued to cave to the Maoists at the negotiating table.
- $\P5$. (C) Thapa stated that he had asked India's Foreign Secretary Shyam Saran why India had hesitated to deliver a

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clear public message regarding arms management, and requested that India do so soon. Saran responded that he would do so on the right occasion. Saran then delivered a statement urging arms separation at the Bangladesh, India, Myanmar, Sri Lanka, Thailand Economic Cooperation (BIMSTEC) meeting in New Delhi. However, in Thapa's view, this was not enough; a clear public message from the MEA spokesman was still needed.

Maoists are Confident

16. (C) Thapa noted that the Maoists are convinced they can win power at the negotiating table. The Prime Minister's quick reversal of the petroleum price hike in response to demonstrations throughout Kathmandu on August 19 and 20 had likely further fueled the Maoists' conviction that the government was weak and easily swayed. The weekend's events also likely strengthened the Maoists' belief that the common people supported them and that their demonstrations in the street were succeeding.

CPN-UML Committed to Arms Management

 $\P7$. (C) On August 22, MK Nepal told the Ambassador that the CPN-UML remained committed to separating the Maoists from their weapons before they enter into any interim government. MK Nepal lamented that the GON had fouled up negotiations from the very beginning, giving too much to the Maoists without making any demands in return. MK Nepal recalled that Maoist supreme Prachanda had at one point suggested a three-phase approach for arms management: placement of Maoists into camps with their weapons, separation of the Maoists and their weapons, and reintegration of Maoist fighters back into society. The Maoists had subsequently backed away from that formulation, however. MK Nepal worried that some people believed that Maoist weapons were not a big deal, and that if they continued to intimidate the people, the public would rise up against them. MK Nepal told the Ambassador that this was not the position of his party. The Ambassador encouraged MK Nepal to stand strong on his position to completely separate the Maoists from their weapons.

The Third People's Movement

would likely attempt to organize massive, anti-government demonstrations in the coming weeks. Neither seemed disturbed by the prospect, however, arguing that such attempts would only underscore the lack of popular support for the Maoists.

Comment

19. (C) Thapa has a long history in the Nepal government, and his pragmatic approach is influential. It is difficult to argue with his bottom line that if the Prime Minister does not continue to make clear statements regarding arms management, elements of the SPA will lean toward further (perhaps fatal) compromise with the Maoists. If the government states its position clearly, it will gain more traction. The recent gas price demonstrations may convince the Maoists to move toward confrontation in the street sooner rather than later. While we agree that the Maoists will have a tough time mobilizing massive public support, they will likely find creative ways to pressure th GON as much as possible.

MORIARTY